

NATURAL RESOURCES

Budget Summary							
Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	2019-21 Legislature	2019-21 Act 9	Act 9 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$218,970,800	\$218,387,500	\$215,722,100	\$215,722,100	\$215,722,100	- \$3,248,700	- 1.5%
FED	167,347,800	172,082,100	172,082,100	172,082,100	172,082,100	4,734,300	2.8
PR	64,623,800	65,209,800	66,994,200	66,994,200	66,994,200	2,370,400	3.7
SEG	<u>650,895,000</u>	<u>669,441,000</u>	<u>668,781,000</u>	<u>668,781,000</u>	<u>668,781,000</u>	<u>17,886,000</u>	<u>2.7</u>
TOTAL	\$1,101,837,400	\$1,125,120,400	\$1,123,579,400	\$1,123,579,400	\$1,123,579,400	\$21,742,000	2.0%
BR		\$43,500,000	\$61,100,000	\$61,100,000	\$61,100,000		

FTE Position Summary						
Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	2020-21 Legislature	2020-21 Act 9	Act 9 Change Over 2018-19 Base
GPR	223.52	232.52	223.52	223.52	223.52	0.00
FED	481.84	482.84	482.84	482.84	482.84	1.00
PR	243.89	240.89	245.89	245.89	245.89	2.00
SEG	<u>1,566.35</u>	<u>1,573.35</u>	<u>1,569.35</u>	<u>1,569.35</u>	<u>1,569.35</u>	<u>3.00</u>
TOTAL	2,515.60	2,529.60	2,521.60	2,521.60	2,521.60	6.00

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Provide adjustments to the base budget totaling \$8,798,600 in 2019-20 and \$8,988,800 in 2020-21 as follows:

(a) -\$3,388,000 annually for turnover reduction (-\$384,700 GPR, -\$529,500 FED, -\$114,700 PR, and -\$2,359,100 SEG); (b) -\$72,700 FED annually to remove noncontinuing elements from the base; (c) \$8,999,400 annually for full funding of continuing salaries and fringe benefits (\$887,000 GPR, \$2,923,000 FED, \$1,196,900 PR, and

GPR	\$1,096,300
FED	4,734,300
PR	2,200,400
SEG	<u>9,756,400</u>
Total	\$17,787,400

\$3,992,500 SEG); (d) \$112,600 annually for reclassifications and semi-automatic pay progression (\$1,800 GPR, \$11,400 FED, \$10,000 PR, and \$89,400 SEG); (e) \$3,178,700 annually for overtime (\$8,000 PR and \$3,170,700 SEG); and (f) -\$31,400 (\$28,200 GPR, \$14,800 FED, and -\$74,400 SEG) in 2019-20 and \$158,800 (\$59,900 GPR, \$55,100 FED, and \$43,800 SEG) in 2020-21 for full funding of leases and directed moves.

2. CREATE NATURAL RESOURCES SCIENCE BUREAU [LFB Paper 510]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
SEG	\$718,500	5.00	-\$431,100	- 3.00	\$287,400	2.00

Governor: Create a Bureau of Natural Resources Science in the Department of Natural Resources (DNR) Division of Fish, Wildlife, and Parks. Provide \$308,000 in 2019-20 and \$410,500 in 2020-21 from the environmental fund with 5.0 positions. The administration indicates that these positions would work on water quality and related contaminants, and at least 2.0 would be assigned work on per- and polyfluoroalkyl substances (PFAS) contamination of water resources. The table shows where positions to be added by the bill would be budgeted in DNR, with the base funding that would begin in 2020-21.

Natural Resources Scientist Position Additions -- Governor

<u>Funding Division/Subprogram</u>	<u>Positions</u>	<u>Base Funding</u>
Division of Environmental Management		
Drinking and Groundwater	2.00	\$164,200
Water Quality	<u>2.00</u>	<u>164,200</u>
Division Subtotal	4.00	\$328,400
Division of External Services		
Watershed Management	<u>1.00</u>	<u>\$82,100</u>
Total	5.00	\$410,500

The bill would require the bureau director to report to the DNR Secretary and serve as his or her science advisor. In addition to those positions created by the bill, the Bureau of Natural Resources Science would include 14.0 existing scientist positions in the Office of Applied Science, which is currently housed in the Division of Fish, Wildlife, and Parks.

2015 Wisconsin Act 55 eliminated 18.4 scientist positions. The Department reorganization in 2017 Wisconsin Act 59 dissolved the Bureau of Integrated Science Services and transferred 37.0 positions to other programs as follows: (a) Division of Fish, Wildlife, and Parks (14.0); (b) Division of Environmental Management (2.0); and (c) Division of External Services (21.0).

Joint Finance/Legislature: Delete language creating a Bureau of Natural Resources

Science. Reduce the Governor's recommendation by 3.0 positions, \$184,800 SEG in 2019-20 and \$246,300 in 2020-21. As a result, the bill would provide 2.0 environmental management SEG-funded positions for PFAS-related research and other emerging chemical contaminants. One position each is budgeted in the drinking and groundwater program and the water quality program.

3. DEBT SERVICE REESTIMATE

GPR	- \$4,451,000
SEG	- 3,293,300
Total	- \$7,744,300

Governor/Legislature: Delete \$1,104,500 (-\$298,700 GPR and -\$805,800 SEG) in 2019-20 and \$6,639,800 (-\$4,152,300 GPR and -\$2,487,500 SEG) in 2020-21 to reflect a reestimate of debt service payments on bonds issued for various DNR programs as shown in the following table:

DNR Debt Service Reestimates

<u>Fund/Purpose</u>	<u>Adjusted Base</u>	<u>2019-20 Change to Base</u>	<u>2019-20 Estimate</u>	<u>2020-21 Change to Base</u>	<u>2020-21 Estimate</u>	<u>Total Biennial Change</u>
General Purpose Revenue						
Stewardship and predecessors	\$71,707,200	\$186,000	\$71,893,200	-\$2,964,400	\$68,742,800	-\$2,778,400
Combined sewer overflow	1,805,600	- 412,500	1,393,100	- 894,900	910,700	- 1,307,400
Municipal clean drinking water grants	174,200	- 2,100	172,100	- 166,600	7,600	- 168,700
Administrative facilities	655,900	<u>-70,100</u>	585,800	<u>-126,400</u>	529,500	<u>-196,500</u>
GPR Subtotal		<u>-\$298,700</u>		<u>-\$4,152,300</u>		<u>-\$4,451,000</u>
Conservation						
Dam repair and removal	\$477,500	-\$79,700	\$397,800	-\$207,500	\$270,000	-\$287,200
Administrative facilities	6,387,400	<u>195,100</u>	6,582,500	<u>234,100</u>	6,621,500	<u>429,200</u>
Conservation Fund SEG Subtotal		<u>\$115,400</u>		<u>\$26,600</u>		<u>\$142,000</u>
Environmental						
Remedial action	\$2,609,900	-\$38,600	\$2,571,300	-\$488,600	\$2,121,300	-\$527,200
Contaminated sediment cleanup	1,899,500	97,600	1,997,100	144,600	2,044,100	242,200
Rural nonpoint source grants - priority watershed program	5,675,900	- 244,100	5,431,800	- 903,800	4,772,100	- 1,147,900
Rural nonpoint source grants - targeted runoff management	2,206,700	101,900	2,308,600	177,500	2,384,200	279,400
Urban nonpoint source	3,363,100	91,600	3,454,700	101,400	3,464,500	193,000
Water pollution abatement	6,361,300	- 914,600	5,446,700	- 1,554,700	4,806,600	- 2,469,300
Administrative facilities	825,800	<u>- 15,000</u>	810,800	<u>9,500</u>	835,300	<u>- 5,500</u>
Environmental Fund SEG Subtotal		<u>-\$921,200</u>		<u>-\$2,514,100</u>		<u>-\$3,435,300</u>
SEG Subtotal		<u>-\$805,800</u>		<u>-\$2,487,500</u>		<u>-\$3,293,300</u>
Total Reestimates to Base		<u>-\$1,104,500</u>		<u>-\$6,639,800</u>		<u>-\$7,744,300</u>

4. TRANSFERS BETWEEN APPROPRIATIONS [LFB Paper 511]

Governor: Transfer positions and funding between appropriations in DNR, as identified in the following paragraphs, to more accurately align with assigned programmatic duties.

Transfer Statutory Appropriations to Different Divisions. Transfer the following appropriations to a different departmental division, as shown in the table.

DNR Appropriation Transfers Among Divisions

<u>Appropriation</u>	<u>Annual Amount</u>	<u>Positions</u>	<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
Nonferrous mining reg.	\$76,300	--	PR	Env. Management	External Services
Ferrous mining reg.	95,800	1.0	PR	Env. Management	External Services
Beach monitoring	24,700	--	SEG (CF)*	Env. Management	External Services
Aquatic invasive donations	68,500	--	SEG (CF)*	External Services	Env. Management

* Conservation fund

Further, transfer funding associated with Karner blue butterfly recovery from the Division of Forestry to the Division of Fish, Wildlife, and Parks to align with other endangered resources programs. Transfer \$9,900 conservation SEG in Karner blue butterfly habitat conservation plan fees and \$28,900 conservation SEG in forestry operations for Karner blue butterfly staffing costs.

Wisconsin Waters Initiative. Transfer \$400,000 environmental fund SEG (nonpoint account) for the Wisconsin Waters Initiative within the Division of External Services from a nonpoint source operations appropriation to a general operations appropriation. The Wisconsin Waters Initiative is an ongoing DNR effort by which the agency makes accessible various information relating to surface water programs, permitting, and watershed management. The transfer is intended to align current uses of the funding with broader purposes allowed under the receiving appropriation.

Reconcile Past Transfers. Transfer 1.0 position from water quality to watershed management to reconcile position listings in the state personnel management and budget systems. Transfer \$19,300 nonpoint SEG from watershed management to water quality to correct erroneous transfers under 2017 Act 59. Further, transfer 1.0 position from law enforcement to parks and recreation. The Department intends for this transfer to reflect the position changes under a 2017 Act 59 provision deleting 10.0 positions related to forestry or parks.

Positions Realignment. Transfer positions between appropriations as shown in the following table to realign position funding with employee responsibilities:

DNR Position Transfers Among Programs or Divisions

<u>Position Title</u>	<u>Amount</u>	<u>Positions</u>	<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
Attorney	\$14,200	0.10	SEG	Water Quality	Legal Services
Program Specialist	42,500	0.50	SEG	External Services	Drinking/Groundwater
Grant Specialist	72,100	1.00	SEG	Recycling	Comm. Financial Assist.
Business Specialist	69,000	0.66	SEG	Human Resources	Customer Services
Mechanic	62,700	1.00	SEG	Fleet Services	Forestry
Customer Services Rep.	45,800	1.00	SEG	Fisheries Management	Customer Service
Sr. Customer Services Rep.	54,300	1.00	FED	Technology Services	Customer Service
Wildlife Biologist	26,800	0.50	FED	Customer Service	Wildlife Management
Sr. Customer Services Rep	42,600	0.50	SEG	Wildlife Management	Customer Service
Internal Services Supervisor	72,100	1.00	SEG	Property Services	Land Leaders
Info. Systems Development Spec.	39,300	0.50	FED	Administration	External Services
Tribal Liaison	27,400	0.25	SEG	Air Management	Administration
Tribal Liaison	27,400	0.25	SEG	Fisheries	Administration
Tribal Liaison	54,900	0.50	SEG	Wildlife Management	Administration
Customer Services Rep.	<u>91,600</u>	<u>2.00</u>	SEG	Law Enforcement	Customer Services
Total	\$742,700	10.76			

Joint Finance/Legislature: Renumber five statutory appropriations as follows: (a) renumber 20.370(2)(gt) for Karner blue butterfly conservation plan fees to 20.370(1)(gt); (b) renumber 20.370(9)(ks) for voluntary contributions for aquatic invasives research to 20.370(4)(ks); (c) renumber 20.370(4)(aw) for beach monitoring to 20.370(9)(aw); and (d) renumber 20.370(4)(gh) to 20.370(9)(gh), and renumber 20.370(4)(gi) to 20.370(9)(gi) to budget mining regulation with the Division of External Services. These provisions accomplish transfers recommended by the Governor, but for which statutory language changes had been omitted from the introduced bill.

[Act 9 Sections: 176m, 178m thru 179i, and 181m]

5. TRANSFERS WITHIN APPROPRIATIONS

Governor/Legislature: Transfer positions and funding between budgetary subprograms within the same appropriation as described in the following paragraphs to reflect current allocations of program responsibilities.

Law Enforcement. Transfer 5.0 conservation SEG regional warden management positions and \$732,400 annually into the primary law enforcement subprogram to consolidate all law enforcement positions into a single subprogram.

Environmental Management. Transfer 0.25 GPR fiscal and staff services position and \$21,200 annually from waste and materials management to water quality.

Internal Services. Transfer 1.0 conservation SEG business automation position and \$78,600 annually from Division of Internal Services management to finance and accounting. Transfer 0.20

conservation SEG attorney with \$34,100 annually from finance and accounting to legal services. Transfer 0.01 conservation SEG information technology (IT) position with \$1,200 annually from human resources to management and budget. Reallocate \$9,900 FED (grant and contract administrative cost reimbursements) for limited-term employee salaries and fringe benefits to supplies and services.

External Services. Reallocate 3.0 GPR IT positions and \$283,300 annually under Division of External Services management to: (a) 2.0 positions and \$187,400 for watershed management; and (b) 1.0 position and \$95,900 for customer and outreach services. Reallocate 4.50 conservation SEG financial assistance, IT, and program administration positions and \$488,100 annually under External Services management to: (a) 4.0 positions with \$432,600 for community financial assistance; and (b) 0.5 position and \$55,500 annually for environmental analysis and sustainability. Transfer 1.0 PR conservation biologist and \$92,800 annually from customer and outreach services to environmental analysis and sustainability. Transfer 0.25 PR contract specialist and \$19,000 from External Services management to environmental analysis and sustainability. Transfer 0.50 FED business automation specialist and \$53,700 annually from External Services management to environmental analysis and sustainability.

Conservation and Recreation

1. **REAUTHORIZE STEWARDSHIP PROGRAM** [LFB Paper | | | |----|--------------| | BR | \$42,600,000 | |----|--------------| 515]

Governor: Reauthorize the Warren Knowles-Gaylord Nelson Stewardship Program at current funding levels through June 30, 2022, using unspent bonding authority from the current program authorization. Current law provides DNR annual bonding authority of \$33.25 million through June 30, 2020.

The stewardship program was last reauthorized in 2007 Wisconsin Act 20, but has been occasionally amended by budget acts and other legislation since that time. Under the stewardship program, DNR is authorized to incur debt for the purposes of: (a) acquiring land to expand recreational opportunities and protect environmentally sensitive areas; (b) developing outdoor recreational facilities on state conservation lands; (c) providing grants to local governments and nonprofit conservation organizations (NCOs) typically for up to 50% of the cost of acquiring or developing land for outdoor recreational activities; (d) providing grants to counties for up to 50% of the cost of acquiring forestry land; and (e) providing grants to local governments for developing all-terrain and utility terrain vehicle (ATV/UTV) trails and facilities. The bill would make no changes to eligible projects or expenditures under current law. The following table shows annual stewardship allocations under current law and the bill.

Annual Stewardship Allocations, by Subprogram

	Current Law and Act 9
<i>Land Acquisition Subprogram</i>	
DNR Acquisition	\$9,000,000
Grants to NCOs	7,000,000
County Forest Grants	<u>5,000,000</u>
Subtotal	\$21,000,000
<i>Property Development and Local Assistance Subprogram</i>	
DNR Property Development	\$3,250,000
Local Assistance Grants	6,000,000
Motorized Stewardship	<u>500,000</u>
Subtotal	\$9,750,000
Recreational Boating Aids	\$2,500,000
Total Annual Bonding Allocation	\$33,250,000

General obligation bonds for the stewardship program are typically issued with up to 20-year terms. Principal and interest on the bonds (debt service) is paid under current law by GPR and an annual appropriation from the forestry account of the segregated conservation fund.

In addition to the bill provisions, the Budget in Brief indicates the Governor will convene a task force to consider future directions for the stewardship program and make recommendations on program structure and funding needs. The bill does not further specify the task force's creation or any instruction or deadlines under which it would operate.

Joint Finance: Extend the stewardship program by two years, through June 30, 2022, at current program annual allotments of \$33.25 million. Allow DNR to use \$23.9 million in unexpended or uncommitted bonding authority identified by DNR and the administration for this purpose. Provide \$42,600,000 in additional bonding authority for the program to fully fund the program for two years.

Assembly/Legislature: Include the incremental change of \$42.6 million, rather than the new total bonding amount, in authorizing the additional bonding.

[Act 9 Sections: 294, 320 thru 335, and 348p]

2. PARKS STAFFING AND OPERATIONS [LFB Paper 516]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$2,862,400	- \$670,800	\$2,191,600

Governor: Increase general operations funding for state parks and recreational areas by \$1,431,200 annually from the conservation fund to reflect greater costs associated with higher

parks attendance, as well as maintenance and development of parks facilities. DNR indicates that it would raise the hourly wage for seasonal limited-term employees (LTEs) from \$11.05 per hour to \$12.55 per hour to improve hiring and retention; the provision would increase amounts budgeted for LTE salaries and fringe benefits by \$931,200 annually.

Other funding would be provided for costs (\$150,000) associated with additional electrified campsites authorized under 2017 Act 59. Further, the bill would increase base funding as shown below for costs attributable to maintenance, utilities and other operational costs of facilities recently completed or nearing completion at several state parks and southern forests. An additional \$301,500 in supplies and services would support systemwide costs due to increased state park (SP) and southern forest (SF) attendance in recent years.

State Parks and Southern Forests Base Supplies and Services Increases -- Governor

<u>Property</u>	<u>Facility Type</u>	<u>Annual Cost</u>
Site-Specific Adjustments		
Peninsula SP	Toilet and Shower Building	\$3,000
Peninsula SP	Lift Station	1,500
Peninsula SP	New Tower	2,500
Peninsula SP	New Trail System	7,500
Potawatomi SP	New Trail System	5,000
High Cliff SP	Boat Launch	5,000
Willow River SP	Dam	5,000
Kinnickinnic SP	Campground	10,000
Devil's Lake SP	Boat Storage Building	2,500
Council Grounds SP	Open Shelter	1,500
Mirror Lake SP	Amphitheater	2,500
Kettle Moraine SF --		
Pike Lake Unit	Amphitheater	<u>2,500</u>
Subtotal		\$48,500
Systemwide		
Electrified Campsites		\$150,000
Attendance-Related Cost Increases		<u>301,500</u>
Subtotal		\$451,500
Total Supplies and Services Base Increases		\$500,000

Joint Finance/Legislature: Reduce the Governor's recommendation by \$335,400 annually. Increase the parks and southern forest general operations appropriations by \$1,095,800 annually to provide \$620,800 SEG parks annually for LTE salaries and associated fringe costs, \$347,500 parks SEG and \$2,500 forestry SEG for supplies and services in each year of the biennium, and \$125,000 parks SEG annually for electrical services at newly electrified campgrounds.

3. LAW ENFORCEMENT RADIOS [LFB Paper 517]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$107,000	\$85,000	\$192,000
SEG	<u>2,469,600</u>	<u>1,957,200</u>	<u>4,426,800</u>
Total	\$2,576,600	\$2,042,200	\$4,618,800

Governor: Provide \$1,288,300 (\$53,500 GPR, \$1,154,600 conservation fund SEG, and \$80,200 environmental fund SEG) annually as one-time funding for the purchase of law enforcement radios. The Bureau of Law Enforcement indicates that it would use this funding to purchase 390 multi-band mobile radios, which are mounted to service vehicles, and 290 multi-band portable radios, which are carried by law enforcement personnel.

The Department's current inventory of law enforcement radios includes 365 mobile radios and 430 portable radios. Of these, the Department reports that 330 mobile radios and 210 portable radios were purchased before 2010 and use outdated technology, while an additional 45 portable radios purchased in 2011 and 2012 are nearing obsolescence. DNR reports the outdated systems and equipment can limit interoperability with local law enforcement agencies.

The proposal would divide funding among law enforcement functions as shown in the following table. Funding was allocated among law enforcement appropriations based on the number of positions funded by each appropriation. Amounts would support the first two years of a four-year installment plan under the state master lease program.

DNR Law Enforcement Radio Funding -- Governor

<u>Appropriation</u>	<u>Annual Allocation</u>	<u>Biennial Amount</u>	<u>Fund</u>
General Program Operations	\$53,500	\$107,000	GPR
Environmental Enforcement	\$80,200	\$160,400	Environmental SEG
Fish, Wildlife, Parks and Forestry Enforcement	\$963,100	\$1,926,200	Conservation SEG
Boat Enforcement	124,900	249,800	
ATV Enforcement	53,500	107,000	
Water Resources Enforcement	<u>13,100</u>	<u>26,200</u>	
Conservation Fund Subtotal	\$1,154,600	\$2,309,200	
Annual Total	\$1,288,300	\$2,576,600	

Joint Finance/Legislature: Increase the Governor's recommendation by \$85,000 GPR, \$127,100 environmental SEG and \$1,830,100 conservation SEG. Provide all funding in 2019-20 in new biennial appropriations to acquire law enforcement radios as a one-time purchase rather than over four years through the state master lease program. As a result, DNR has three biennial appropriations for acquiring law enforcement radios. No funding in the 2019-21 biennium is to

continue as base funding in the 2021-23 biennium, however.

The following table shows total biennial funding by fund source under Act 9. Approximate allocations by program area are shown for the conservation fund.

DNR Law Enforcement Radio Funding -- Act 9

<u>Appropriation/Fund</u>	<u>One-Time Purchase Amount</u>
General Fund	\$192,000
Environmental SEG	\$287,500
Conservation SEG	
Fish and Wildlife	\$2,770,100
Boat	447,900
Forestry	341,200
Parks	341,200
ATV	192,000
Water Resources	<u>46,900</u>
Conservation Fund Subtotal	\$4,139,300
Total	\$4,618,800

[Act 9 Sections: 177e thru 177s]

4. REMOVE TRIBAL GAMING REVENUES FROM SNOWMOBILE ENFORCEMENT

	<u>Governor (Chg. to Base)</u>		<u>Jt. Finance/Leg. (Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$2,464,400	9.00	- \$2,464,400	- 9.00	\$0	0.00
PR	<u>- 2,464,400</u>	<u>- 9.00</u>	<u>2,464,400</u>	<u>9.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Replace \$1,232,200 tribal gaming PR each year and 9.0 positions for DNR snowmobile enforcement with GPR. Repeal the tribal gaming PR appropriations under DNR and the Department of Administration (DOA) Division of Gaming. Under current law, funding for snowmobile enforcement, safety training, and accident reporting is provided annually from the conservation fund and from tribal gaming revenue. [See "Administration -- Division of Gaming."]

Joint Finance/Legislature: Delete provision.

5. FOREST FIRE PROTECTION GRANTS [LFB Paper 519]

SEG	\$556,000
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Governor/Legislature: Provide \$278,000 annually from the forestry account of the

conservation fund for forest fire protection grants. DNR provides matching grants for municipalities and fire companies to acquire fire-resistant clothing, fire-suppression supplies, vehicles, and other equipment, as well as training in forest fire suppression. Forest fire protection grants were created by 1997 Wisconsin Act 27 and were provided with \$525,000 annually. The program has been provided state funding of \$170,000 annually since 2009 Wisconsin Act 28. The provision establishes state funding at \$448,000 each year, which DNR indicates is intended to better meet program demand.

6. WISCONSIN FOREST PRACTICES STUDY [LFB Paper 520]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$450,000	- \$310,700	\$139,300

Governor: Provide \$225,000 forestry SEG annually for implementing the recommendations of the Wisconsin Forest Practices Study, which was required under 2013 Wisconsin Act 20, including: (a) the development of an integrated monitoring program for forest management; (b) research on forest economics and the impact of forest management guidelines; and (c) developing and implementing online and in-person training for forestry professionals.

Joint Finance/Legislature: Reduce the Governor's recommendation by \$85,700 in the first year and \$225,000 in the second year to provide \$139,300, equal to the amount that would lapse from the moneys provided by 2013 Act 20 for the Forest Practices Study, to fund projects to implement the study's recommendations.

7. COUNTY FOREST GRANTS [LFB Paper 523]

SEG	\$174,000
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Joint Finance/Legislature: Provide \$87,000 forestry SEG annually to increase funding for county sustainable forestry grants. As an errata, the Governor requested increasing funding by \$165,000 annually to provide \$87,000 annually to fully fund the county sustainable forestry grant and \$78,000 to provide funding to the time standards grant under the county forest administration grant program.

The two programs are budgeted under a single appropriation. Under the provision, county sustainable forestry grants and county forest administration grants are appropriated \$1,613,900 in each year of the biennium.

8. FORESTRY MILL RATE REESTIMATE [LFB Paper 518]

Governor/Legislature: Reestimate the transfer from the general fund to the forestry account of the conservation fund by \$6,109,400 in 2019-20 and by \$10,092,100 in 2020-21. 2017 Act 59 replaced the state forestry mill tax with a sum-sufficient appropriation from the general fund equal to the value of the tax, or 0.1697 mills for each dollar of the assessed valuation of

taxable property in the state. Funds are transferred to the forestry account for the purposes of acquiring, preserving and developing the forests of the state. Act 9 budgets the transfers at \$97,753,400 in 2019-20 and at \$101,736,100 in 2020-21. [See "Shared Revenue and Tax Relief--Forestry Mill Rate."]

9. RECREATION VEHICLE FUEL TAX TRANSFER [LFB Paper 521]

SEG	\$1,351,200
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Governor: Increase annual transfers by \$5,625,900 in 2019-20 and \$7,395,500 in 2020-21 from the transportation fund to the all-terrain vehicle (ATVs and utility terrain vehicles), snowmobile, and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. [See "Miscellaneous Appropriations" for corresponding transportation fund SEG transfer entries.] By statute, transfers are based on the fuel tax rate and the count of registered recreational vehicles as of certain dates in the preceding fiscal year. These reestimates are intended to account for increases in the motor fuel tax under the bill. The bill as introduced made no reestimates of DNR aids appropriations funded by the transfers, however.

Joint Finance/Legislature: Reestimate the revenue transferred from the transportation fund under the recreational vehicle fuel tax formula. [See "Miscellaneous Appropriations."] Further, reestimate DNR aids appropriations by \$819,800 in 2019-20 and \$531,400 in 2020-21, as shown in the table below.

DNR Motorized Recreation Aids Appropriation Reestimates

	<u>2019-20</u>	<u>2020-21</u>
Snowmobile Trail Aids	\$578,300	\$239,200
Snowmobile Supplemental Trail Aids	115,400	166,100
ATV Trail Aids	-56,800	-56,800
UTV Trail Aids	<u>182,900</u>	<u>182,900</u>
Change to Base / Change to Bill	\$819,800	\$531,400

Basic ATV, UTV and snowmobile trail aids are funded by the motor fuel tax transfer for each vehicle type. Snowmobile supplemental trail aids are based on the number of nonresident annual snowmobile trail passes sold in the prior fiscal year multiplied by \$47. In 2018-19, 19,477 nonresident annual snowmobile trail passes were sold.

10. OFF-HIGHWAY MOTORCYCLES [LFB Paper 522]

GPR	- \$86,000
SEG	<u>155,800</u>
Total	\$69,800

Joint Finance/Legislature: Approve the Governor's errata to create a new conservation SEG continuing appropriation funded by an annual GPR transfer equal to the off-highway motorcycle (OHM) registrations deposited in the transportation fund. Budget the transfer at \$95,700 SEG in 2019-20 and \$60,100 SEG in 2020-21. Further, repeal a GPR sum-sufficient appropriation of \$43,000 each year for the OHM program.

The OHM program was created under 2015 Wisconsin Act 170 with a sum-sufficient GPR appropriation determined by the fees received from OHMs registered in the state, which are generally \$30 per vehicle for public use. The appropriation was to fund OHM project or enforcement aids and DNR administrative activities. The adjusted base is \$43,000 and is reestimated by \$17,100 in each year of the biennium under the provision. As a sum-sufficient appropriation, the unencumbered balance lapses to the general fund at the end of each fiscal year. In 2017-18, DNR expended \$5,900 and lapsed \$35,600. Act 9 transfers this additional amount in 2019-20 to reflect the lapsed value. Act 9 also repeals the existing sum-sufficient GPR appropriation under DNR and budgets the GPR transfer under "Miscellaneous Appropriations." The SEG appropriation in DNR provides for the same purposes as under current law.

[Act 9 Sections: 181g, 181i, 291m, 335c, 335e, and 9244(3z)]

11. ATV/UTV COUNTY ENFORCEMENT AIDS

SEG	\$510,000
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Joint Finance/Legislature: Increase funding for ATV and UTV enforcement aids by \$255,000 annually to \$750,000 annually. DNR distributes aids to counties for the costs of local patrol units charged with ATV and UTV law enforcement. Counties may receive up to 100% of eligible costs, but aid payments are prorated if claims exceed the appropriation level.

12. AUTOMATIC RENEWAL FOR HUNTING, FISHING, AND TRAPPING LICENSES

Governor/Legislature: Authorize DNR to develop an automatic renewal system for certain hunting, fishing, and trapping licenses. Under current law, persons wishing to hunt or fish must purchase a license each year. Under the proposal, those purchasing a hunting or fishing authorization may opt to automatically renew any license, permit, certificate, card, stamp, preference point, or tag. The system would exclude conservation patron cards. DNR is authorized to contract with a third party to store customer information to carry out the system.

[Act 9 Section: 348]

13. CHRONIC WASTING DISEASE RESEARCH

SEG	\$100,000
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Joint Finance/Legislature: Provide \$100,000 fish and wildlife SEG from the chronic wasting disease monitoring and testing appropriation for research on genetic resistance to CWD in farmed deer. Require that the research be conducted on a double-fenced deer farm in southern Wisconsin where a deer tested positive for CWD in spring of 2018. The CWD monitoring and testing appropriation is funded by a portion of the proceeds of bonus antlerless harvest authorizations sold in CWD-confirmed areas. \$5 is credited to the appropriation for each bonus permit sold.

Veto by Governor [A-11]: Delete the requirement that research be related to genetic resistance in farm-raised deer and that research occur on a double-fenced deer farm in the southern portion of the state. As a result of the veto, DNR has discretion in the type and location of CWD-

related research it funds.

[Act 9 Section: 9132(3y)]

[Act 9 Vetoes Section: 9132(3y) (as it relates to requirements for research)]

14. STATE TRAILS REPAIRS

SEG	\$100,000
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Joint Finance/Legislature: Amend the DNR parks development appropriation to allow moneys from parks and trails revenues to be used for trail repairs. Further, provide \$100,000 parks SEG in 2019-20 and require DNR to make repairs to: (a) the portion of the Elroy-Sparta Trail between the City of Elroy and the Village of Norwalk; and (b) the portion of the 400 State Trail between the Villages of La Valle and Union Center.

Veto by Governor [A-12]: Delete the reference to specific projects. As a result of the veto, DNR has discretion in allocating the \$100,000 to trail or park projects.

[Act 9 Section: 180m]

[Act 9 Vetoes Section: 9132(3x)]

15. EMINENT DOMAIN FOR STATE TRAILS

Governor: Allow state agencies, including DNR, to use condemnation to acquire land for state trails. Current law prohibits state entities from using eminent domain to establish or extend a recreational trail, bicycle lane, or other bicycle way. [See "Transportation -- Local Transportation Assistance."]

Joint Finance/Legislature: Delete provision.

Environmental Quality

1. CONTAMINATED SEDIMENT BONDING [LFB Paper 526]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$25,000,000	- \$21,000,000	\$4,000,000

Governor: Provide \$25,000,000 to increase, from \$32 million to \$57 million, the total amount of SEG-supported general obligation bonds authorized to pay for a portion of the costs of removal of contaminated sediment from certain water bodies. Currently, and under the bill,

projects would be eligible if they are in Lake Michigan or Lake Superior or their tributaries and are in a water body that DNR has identified, under the federal Clean Water Act, as being impaired and the source of the impairment is contaminated sediment.

Debt service costs are paid from the segregated environmental management account of the environmental fund and totaled \$1,318,300 in 2017-18. Debt service is budgeted at \$2.0 million in each of 2019-20 and 2020-21.

Joint Finance: Provide \$4,000,000 instead of \$25,000,000, to increase from \$32 million to \$36 million, the total amount of SEG-supported general obligation bonds authorized to pay for a portion of the costs of removal of contaminated sediment from certain water bodies.

Assembly/Legislature: Include the incremental \$4 million change, rather than the total new bonding amount, in authorizing this additional bonding.

[Act 9 Section: 299]

2. DAM SAFETY BONDING

BR	\$4,000,000
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Governor: Provide \$4,000,000 in GPR-supported general obligation bonding authority for dam safety grants. No specific estimate of debt service payments is made for the program during the biennium. However, debt service on \$4 million in general obligation bonds could be expected at approximately \$280,000 annually for 20 years once all bonds are issued.

DNR administers the municipal dam safety grant program under s. 31.385 of the statutes. The program provides matching grants to counties, cities, villages, towns, public inland lake protection and rehabilitation districts, and other dam owners for the repair, reconstruction, or removal of dams. To qualify for a grant, a dam must be inspected and be under a DNR directive to repair or remove the dam. A total of \$32.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program, including \$4 million in each biennium since 2009-11.

Assembly/Legislature: Include the incremental change of \$4 million, rather than the new total bonding amount, in authorizing the additional bonding.

[Act 9 Section: 301]

3. INCREASE FUNDING FOR LAKE AND RIVER PROTECTION GRANT PROGRAMS [LFB Paper 527]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$2,915,800	- \$2,915,800	\$0

Governor: Provide an additional \$747,400 for lake protection grants and \$710,500 for river

protection grants each year of the biennium from the water resources account of the conservation fund. The Governor's recommendations would budget lake protection grants at \$3 million each year, and river protection grants at \$1 million each year.

Both lake protection and river protection grants are provided for projects that improve surface water quality. Grantees include counties, towns, villages, cities, nonprofit conservation organizations, qualified lake or river associations, town sanitary districts, and public inland lake districts, among others. Eligible projects vary between programs, but generally include: (a) purchase of land or conservation easements; (b) restoration of wetlands and shoreline habitat; (c) development of local regulations that protect or improve water quality; (d) installation of pollution control practices; (e) assessments of water quality and wildlife habitat; (f) nonpoint source pollution evaluation; and (g) informational or educational materials.

Joint Finance/Legislature: Delete provision.

4. TOTAL MAXIMUM DAILY LOAD IMPLEMENTATION GRANT PROGRAM AND BONDING [LFB Paper 528]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
SEG	\$194,800	1.00	- \$194,800	- 1.00	\$0	0.00
BR	\$4,000,000		- \$4,000,000		\$0	

Governor: Provide \$4,000,000 in SEG-supported general obligation bonding for water pollution control infrastructure grants. Specify that bonding revenues would support grants to municipalities and counties for infrastructure projects that control water pollution in watersheds with a federally approved total maximum daily load (TMDL) plan. Additionally, provide 1.0 position with \$76,600 annually in a conservation fund (split-funded) operations appropriation to administer these grants. Require DNR to promulgate rules for the administration of these grants. Further, create an appropriation within the water resources account of the conservation fund to support principal and interest payments on these bonds. Estimate the first payment of debt service at \$41,600 in 2020-21.

Under Section 303(d) of the Clean Water Act, DNR is required by the Environmental Protection Agency (EPA) to report biennially on all waters it has identified as impaired, meaning they do not meet water quality standards. DNR is then required to develop a TMDL plan for all waters identified as impaired and submit it to EPA for approval. TMDLs study pollution in a water body and set goals to limit total point source and nonpoint source pollution to a level that will allow the water body to meet water quality standards. Approved TMDLs include the Lower Fox River, Milwaukee River, Rock River, St. Croix River, and Wisconsin River watersheds. A full map of approved TMDLs is available on DNR's website.

Joint Finance/Legislature: Delete provision.

5. TOTAL MAXIMUM DAILY LOAD IMPLEMENTATION POSITIONS

Governor/Legislature: Provide 1.0 FED, 1.0 PR and 2.0 water resources (conservation fund) SEG four-year project positions within the Division of Environmental Management to facilitate implementation of TMDL plans. No new funding is provided for the positions, which are funded by a reallocation of existing supplies and services and LTE salary and fringe benefits costs. Converted amounts by fund source and appropriation are shown in the table below.

	Positions
FED	1.00
PR	1.00
SEG	<u>2.00</u>
Total	4.00

TMDL Positions Reallocation

<u>Appropriations</u>	<u>Fund</u>	<u>Positions</u>	<u>Converted Funding</u>	
			<u>2019-20</u>	<u>2020-21</u>
Water quality operations - private and public sources	PR	1.00	\$54,100	\$72,200
Water quality operations - federal funds	FED	1.00	54,100	72,200
Water resources management - lake, river, and invasive species management	SEG	2.00	<u>108,200</u>	<u>144,400</u>
Total			\$216,400	\$288,800

The administration indicates it intends for these positions to coordinate implementation of TMDLs in the Milwaukee River, Rock River, St. Croix River, and Wisconsin River watersheds, which have been approved by EPA and are in the process of being implemented.

6. CONCENTRATED ANIMAL FEEDING OPERATION FEES AND REGULATORY POSITIONS [LFB Paper 529]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
SEG	\$0	0.00	\$30,800	- 1.00	\$30,800	- 1.00
PR	<u>850,000</u>	<u>5.00</u>	<u>- 680,000</u>	<u>- 4.00</u>	<u>170,000</u>	<u>1.00</u>
Total	\$850,000	5.00	\$649,200	- 5.00	\$200,800	0.00
GPR-REV	\$0		- \$162,600		- \$162,600	
PR-REV	630,000		- 467,400		162,600	

Governor: Increase the fee paid by Wisconsin pollutant discharge elimination system (WPDES) permit holders that operate concentrated animal feeding operations (CAFOs) from \$345 annually to \$660 annually, and establish a fee of \$3,270 upon initial issuance of a permit and every five years thereafter. Create a PR continuing appropriation within the Division of External Services to receive the five-year \$3,270 fee and \$315 of the annual \$660 fee. Provide 5.0 positions within this continuing appropriation, and estimate its expenditures at \$425,000 each year during the

biennium.

The bill as written does not specify when the issuance fee first would be assessed for already permitted CAFOs. The administration indicates it intends that current CAFOs would begin paying this fee upon renewal of their permits. Based on this intent, the proposal would be estimated to produce additional revenues of \$315,000 PR annually. Combined with current fee revenues totaling approximately \$81,300 GPR and \$30,900 PR annually, CAFO fees would be expected to generate approximately \$427,200 annually under the bill. As a result, CAFOs under the bill would pay annual permit fees of \$660, plus permit issuance and renewal fees of \$3,270 every five years. Fees would be deposited into one of two PR appropriations, except \$250 of each annual permit fee would be deposited in the general fund, as under current law.

In addition, the bill would modify the current requirement that \$95 of the annual CAFO permit fee be deposited into a PR appropriation within the Division of Environmental Management, and instead require its deposit into a Division of External Services PR appropriation separate from the PR appropriation created under the bill.

Current law requires that DNR report to the Joint Committee on Finance and other relevant standing committees of the Legislature on the use of the \$95 PR portion of the annually assessed CAFO fee. Under the bill, this requirement would no longer apply. The administration indicates it intended to preserve this reporting requirement when it transferred the deposit of fees to the Division of External Services.

DNR is responsible for regulating CAFOs as point sources of discharges with WPDES permits issued under s. 283.31 of the statutes. Permits are issued with five-year terms, and DNR reports 304 permitted CAFOs in Wisconsin as of January 1, 2019. In 2018-19, CAFO permitting oversight is budgeted approximately 22.0 positions and \$2.2 million from various fund sources. CAFOs are defined as large-scale animal feeding operations of 1,000 animal units or more and some smaller operations with certain discharges of pollutants into state waters. Measurement in animal units adjusts for the relative size and manure production of different animals, with 700 dairy cows, 1,000 beef cattle, and 125,000 broiler chickens each approximating 1,000 animal units.

Joint Finance/Legislature: Provide the following under DNR's concentrated animal feeding operations (CAFO) regulatory program: (a) 1.0 nonpoint SEG engineer; (b) 0.5 nonpoint SEG hydrogeologist; (c) 1.0 nonpoint SEG central permit intake position; (d) 0.5 nonpoint SEG complex permit reviewer; and (e) 1.0 PR permit reissuance coordinator. Provide funding of \$310,000 nonpoint SEG annually and \$85,000 PR annually to support these positions. Delete 4.0 vacant environmental fund SEG positions and \$294,600 annually. Specify that positions be supported by the appropriations created below.

Convert the \$250 portion of the annual CAFO fee that is deposited into the general fund (\$81,300 annually) to PR. Create a PR continuing appropriation within the Division of External Services for the purpose of regulating animal feeding operations under Chapters 281 and 283 of the statutes, and to receive all PR CAFO fees. Create a nonpoint SEG annual appropriation within the Division of External Services for the purpose of regulating animal feeding operations under Chapters 281 and 283 of the statutes. Additionally, require DNR to report annually to the Joint Committee on Finance, and other standing committees concerned with agriculture and the

environment, on the expenditure of funds from these nonpoint SEG and PR appropriations.

[Act 9 Sections: 179m, 181, 181d, and 1973m]

7. TRANSFER FUNDING OF CONCENTRATED ANIMAL FEEDING OPERATION REGULATORY POSITIONS [LFB Paper 529]

Governor: Transfer 9.5 nonpoint SEG positions and \$864,300 annually within the Division of External Services from DNR's nonpoint source general program operations appropriation to its environmental fund general program operations appropriation. The positions and funding are associated with CAFO regulation.

The transfer of funding is intended to align the positions with their statutory authorization for regulation of CAFOs. Under current law, the transferring nonpoint source general program operations appropriation does not have language specifically authorizing its use for CAFO regulatory activities, while the receiving environmental fund general program operations appropriation has language sufficiently broad to accommodate CAFO regulatory activities. The transferred funding and positions would remain budgeted under the nonpoint account of the environmental fund.

Joint Finance/Legislature: Transfer funding and positions to the nonpoint SEG appropriation created under the previous item.

8. TRANSFER FROM ENVIRONMENTAL MANAGEMENT ACCOUNT TO NONPOINT ACCOUNT [LFB Paper 525]

Joint Finance/Legislature: Transfer \$6,150,000 annually on an ongoing basis from the environmental management account to the nonpoint account, both are which are part of the segregated environmental fund. Act 9 excludes the following from annual transfers: (a) certain site-specific or other dedicated revenues, such as for the e-cycle program; (b) settlements of court cases and certain cost recoveries; (c) federal funds for certain program purposes; and (d) cooperative remedial action receipts.

[Act 9 Sections: 339d and 339f]

9. RURAL NONPOINT SOURCE BONDING

BR	\$6,500,000
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Governor: Provide \$6,500,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants. Bond proceeds support the targeted runoff management (TRM) program and provide for the installation of structures in rural settings to improve water quality by preventing soil erosion and animal waste runoff. State funding under TRM grants typically may fund 70% of eligible project costs, up to a cap of \$150,000 or \$1 million, depending on the scope of the project. Bonding authority also may be disbursed as grants under a separate program to address runoff only from animal feeding operations that have been issued a notice of discharge (NOD) or notice of intent (NOI) to issue a notice of discharge.

The 2017-19 budget act authorized \$6.15 million in additional bonding for the TRM and NOD/NOI programs, the 2015-17 budget act provided \$5.9 million, and \$7 million was provided in each of the four earlier biennial budget acts beginning with 2007-09. Principal and interest payments on the bonds are paid from the nonpoint account of the environmental fund. This debt service is budgeted at \$2.3 million SEG in 2019-20 and \$2.4 million SEG in 2020-21.

Assembly/Legislature: Include the incremental change of \$6.5 million, rather than the new total bonding amount, in authorizing the additional bonding.

[Act 9 Section: 297]

10. URBAN NONPOINT SOURCE BONDING

BR	\$4,000,000
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Governor: Provide \$4,000,000 in SEG-supported general obligation bonding for the urban nonpoint source and storm water management (UNPS) and municipal flood control and riparian restoration (MFC) programs. UNPS program bonds support structural projects to improve state surface water quality by managing storm water runoff in urban settings. The MFC program provides funding for flood-control or flood-proofing projects in urban settings, including property acquisition and structure removal. UNPS construction projects are eligible for 50% state funding up to \$150,000. MFC projects are eligible for 50% state funding, up to 20% of the amount available each two-year grant cycle. DNR determines allocations to each program over the course of the biennium.

Previously, \$3.7 million in new bonding authority was provided in 2017-19 and 2015-17, \$5 million was provided in 2013-15, and \$6 million was provided in each of the three earlier biennial budget acts beginning with 2007-09. Principal and interest payments on bonds issued for the UNPS and MFC programs are supported by the nonpoint account of the environmental fund. This debt service is budgeted at \$3.5 million SEG annually in the 2019-21 biennium.

Assembly/Legislature: Include the incremental change of \$4 million, rather than the new total bonding amount, in authorizing the additional bonding.

[Act 9 Section: 298]

11. NONPOINT SOURCE GRANTS [LFB Paper 530]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$800,000	- \$600,000	\$200,000

Governor: Provide \$400,000 nonpoint SEG annually for nonpoint source grants. These funds customarily have been allocated by DNR to support nonstructural practices required of TRM projects. Additionally, some funds are allocated under a companion program to cost-share the installation of pollution abatement practices at animal feeding operations that have been issued a notice of discharge for impermissible manure runoff. Funding of \$100,000 nonpoint SEG for these

purposes was provided on a one-time basis in the 2017-19 biennium.

Joint Finance/Legislature: Instead of ongoing funding of \$400,000 each year, provide \$100,000 nonpoint SEG annually on a one-time basis during the 2019-21 biennium for nonpoint source grants.

12. NONPOINT CONTRACTS [LFB Paper 531]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,460,000	- \$460,000	\$1,000,000

Governor: Provide an additional \$730,000 nonpoint SEG each year for nonpoint source contracts. 2017 Act 59 provided \$767,600 each year for nonpoint contracts, consisting of \$267,600 in base funding and \$500,000 in one-time funding during the biennium. Prior to Act 59, funding for nonpoint source contracts had been \$997,600 each year since 2003-04. Under the Governor's proposal, nonpoint contracts would be budgeted at \$997,600 each year.

DNR is authorized to contract for informational, educational, training, or research projects that assist implementation of state nonpoint source water pollution abatement programs. Most contracts have historically funded projects of UW-Extension and other UW System institutions. Recent contracts have supported the Natural Resources Education program at UW-Extension, the Center for Land Use Education (CLUE) at UW-Stevens Point, groundwater monitoring, nutrient management planning software development and maintenance, and nonpoint runoff research.

Joint Finance/Legislature: Provide an additional \$500,000 nonpoint SEG on a one-time basis each year during the 2019-21 biennium, \$230,000 less than the Governor's proposed additional \$730,000 each year in ongoing funding. Under Act 9, nonpoint contracts are budgeted at \$767,600 during the 2019-21 biennium.

13. WELL COMPENSATION GRANT PROGRAM [LFB Paper 532]

Governor: Make several changes to eligibility for the well compensation grant program. The program provides grants for a portion of the costs of replacing, reconstructing, or treating contaminated wells that serve certain private residences or are used for watering livestock. Grants can also pay costs for well abandonment. Maintain base funding of \$200,000 environmental management account SEG annually, in a continuing appropriation. (While the Governor's Budget in Brief states that the appropriation would be increased by \$800,000 in each of 2019-20 and 2020-21, the bill as introduced did not include this change.) Include the following changes:

a. Increase to \$100,000 the maximum annual family income of the landowner or lessee of the property on which the contaminated well is located; the current limit is \$65,000.

b. Delete the requirement that the grant is reduced by 30% of the amount by which the claimant's family income exceeds \$45,000. Maintain the requirement that a project's maximum

eligible costs is \$16,000. Maintain the requirement that the maximum award would be not more than 75% of eligible costs, which is \$12,000. Under the bill, any eligible applicants with income up to \$100,000 who have the maximum eligible costs of \$16,000 would be eligible for the maximum grant of \$12,000.

c. As an exception to providing an award of 75% of eligible costs, authorize (but not require) DNR to award a grant of up to 100% of eligible costs if the annual family income of the claimant is below the median family income for the state, as determined by the U.S. Bureau of the Census. The bill would maintain the current requirement that the claimant pay a \$250 copayment unless the claim is solely for well abandonment. (According to the U.S. Census Bureau American Community Survey 2013-17 average estimates, the estimated Wisconsin median family income was \$72,542, and the estimated 2017 Wisconsin median household income was \$56,759.)

d. Delete the current requirement that if a claim is based on contamination by nitrates and not by any other substance, DNR may make a well compensation award only if the well: (1) is used as a source of drinking water for livestock or for both livestock and a residence; (2) is used at least three months of each year and while in use provides an estimated average of more than 100 gallons per day for consumption by livestock; and (3) produces water containing nitrates exceeding 40 parts per million (ppm) nitrate nitrogen. This would make residential wells with nitrate contamination eligible for the program.

e. Add to the definition of contaminated well or contaminated private water supply a well or private water supply that produces water with a concentration of at least 10 parts per billion of arsenic or 10 parts per million of nitrate nitrogen.

f. Create an exception to the current requirement that DNR must allocate money for the payment of claims according to the order in which completed claims are received. The exception would specify that if the well compensation grant appropriation has insufficient funds to pay claims, DNR would be authorized (but not required), for claims based on nitrate contamination, to allocate money for the payment of claims in the following order of priority: (1) claims based on water containing more than 40 ppm nitrate nitrogen; (2) claims based on water containing more than 30 but not more than 40 ppm nitrate nitrogen; (3) claims based on water containing more than 25 but not more than 30 ppm nitrate nitrogen; (4) claims based on water containing more than 20 but not more than 25 ppm nitrate nitrogen; and (5) claims based on water containing more than 10 but not more than 20 ppm nitrate nitrogen.

Joint Finance/Legislature: Delete provision. In addition, provide \$400,000 in each of 2019-20 and 2020-21 in the Joint Committee on Finance SEG supplemental appropriation. The funds could be released by the Committee pursuant to a DNR request for the funds under s. 13.10 of the statutes. Funds provided to the Committee's appropriation are shown under "Program Supplements."

Veto by Governor [A-13]: Delete the \$400,000 SEG provided in 2019-20 and 2020-21 in the Joint Committee on Finance SEG supplemental appropriation. [The fiscal effect of the Governor's veto is reflected under "Program Supplements."]

[Act 9 Vetoes Section: 126 (as it relates to s. 20.865 (4)(u))]

14. PFAS MODEL AND STUDY [LFB Paper 533]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$200,000	- \$200,000	\$0
SEG	<u>0</u>	<u>200,000</u>	<u>200,000</u>
Total	\$200,000	\$0	\$200,000

Governor: Provide \$200,000 in 2019-20 to the remediation and redevelopment program in the Division of Environmental Management for the following activities related to per- and polyfluoroalkyl substances (PFAS): (a) \$150,000 to develop a departmentwide model to identify and prioritize sites with likely PFAS; and (b) \$50,000 to conduct a survey of local and state emergency responders to determine the level of use of PFAS-containing firefighting foam.

PFAS are a large group of human-made chemicals that have been used to manufacture firefighting foam and consumer products such as nonstick cookware. They do not break down easily in the environment. The U.S. Environmental Protection Agency (EPA) has established health advisories for two types of PFAS and is studying the development of other regulatory actions related to PFAS. In June, 2019, the state Department of Health Services made recommendations for groundwater quality standards for two types of PFAS, which could potentially be used in future state regulatory actions related to cleanup of concentrations of PFAS that exceed those standards. DNR has also requested DHS review of multiple additional PFAS, and the review is expected to continue into 2020.

Joint Finance/Legislature: Provide \$200,000 environmental management SEG instead of \$200,000 GPR.

15. TRANSFER ABANDONED TANK REMOVAL PROGRAM TO DATCP [LFB Paper 534]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
SEG	-\$344,200	- 1.00	\$344,200	1.00	\$0	0.00

Governor: Delete \$172,100 from the petroleum inspection fund and 1.0 position annually to transfer the abandoned tank removal program to the Department of Agriculture, Trade and Consumer Protection (DATCP). The transferred annual funding would include \$100,000 for removal of certain abandoned underground petroleum product storage tank systems, and \$72,100 for salary and fringe benefits of the transferred position. Under the current program, DNR contracts to remove abandoned tanks if the owner of the system is unable to pay for the removal. The program statutes would be renumbered from DNR to DATCP, and funding would be removed from the separate DNR tank removal appropriation. However, the DNR tank removal appropriation would remain in the statutes and would not be transferred. [See "Agriculture, Trade and Consumer Protection" for the provision of funding in that agency.]

Provide that on the effective date of the bill, 1.0 DNR position, including any incumbent employees, as well as assets and liabilities, personal property, contracts, and pending matters primarily related to the underground petroleum storage tank removal program, as determined by the Secretary of the Department of Administration (DOA), transfer to DATCP. Provide that DATCP would carry out any obligations under any contracts transferred from DNR related to the program, unless modified or rescinded by DATCP to the extent allowed by the contract. Provide that any matter pending with DNR related to the program would be transferred to DATCP. Any matters submitted to or actions taken by DNR related to the pending matters would be considered as having been submitted to or taken by DATCP. Provide that incumbent employees transferred to DATCP would retain their employee rights and status held immediately before the transfer, and provide that employees transferred to DATCP who have attained permanent status would not be required to serve a probationary period.

Joint Finance/Legislature: Delete provision, which maintains the program at DNR.

16. PECFA PROGRAM SUNSET [LFB Paper 535]

Governor: Change the deadline for submittal of a claim for the reimbursement of eligible costs under the petroleum environmental cleanup fund award (PECFA) program from June 30, 2020, to June 30, 2021.

The PECFA program reimburses owners for a portion of the cleanup costs of discharges from petroleum product storage systems (primarily gas stations) and home heating oil systems. The program is funded from a portion of a 2¢ per gallon petroleum inspection fee, which is deposited in the petroleum inspection fund. Under 2015 Act 55, a deadline was established under which a person must submit a PECFA claim before July 1, 2020, to be eligible for reimbursement under the program. The bill would maintain base funding of \$7,500,000 petroleum inspection SEG each year in a biennial appropriation.

Joint Finance/Legislature: Delete provision, which maintains the current PECFA claim submittal deadline of June 30, 2020. In addition, transfer \$7,500,000 from 2020-21 to 2019-20 for claims, to maintain \$15 million for claims in the 2019-21 biennium but provide all funding in 2019-20 in the current biennial appropriation.